THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY) : Government has approved a package for the financial and business restructuring of SAIL to enable it to overcome setbacks suffered by it and ensure competitiveness. The package, *inter-alia*, includes :

(i) Waiver of loans from Steel Development Fund and the Government of India.

(ii) Provision of Government guarntee to raise loans to finance Voluntary Retirement Scheme and repayment of past obligations.

(iii) Divestment of non-Core Units while protecting jobs of existing employees.

(iv) Conversion of IISCO, a sick and loss making subsidiary, to a joint venture company with minority shareholding for SAIL.

SAIL is also implementing the following steps to improve its financial performance :—

(a) A reduction in operational costs by reducing input costs, reducing consumption of raw materials and other inputs and by increasing operating efficiencies;

(b) Improvement in techno-economic parameters such as fuel and power consumption;

(c) Increased recovery for services/facilities;

(d) Right sizing manpower through a Voluntary Retirement Scheme (VRS);

(e) Assets restructuring ;

(f) Disposal of idle assets; and

(g) Financial restrucuring.

By implementing the above measures, it is expected that SAIL will become competitive and return to profitability in next two to three years.

Bullet Proof Steel Fabricated by SAIL

3177. SHRI KRISHNA KUMAR BIRLA : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that the bullet proof steel fabricated by SAIL in collaboration with Defence Research Development Organisation (DRDO) and extensively used for bullet proof vehicles and vests by the paramilitary forces and police in militancy affected States have proved high percentage of failure rate;

(b) if so, what are the details; and

(c) the steps taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY) : (a) to (c) Yes, Sir. Some of the samples of bullet proof (BP) steel supplied by SAIL have failed in ballistic tests due to manufacturing defects such as thickness variation, improper hardness and heavy lamination.

Defence Research and Development Organisation (DRDO) had developed the bullet proof steel and transferred the technology to SAIL. SAIL has taken appropriate measures to resolve the quality control problems arising out in the production.

Private Steel Companies for Joint Venture with SAIL

3178 . SHRI KRISHNA KUMAR BIRLA : Will the Minister of STEEL be pleased to state :

(a) whether some private sector steel companies have expressed their interest in forming a joint venture with SAIL for the Salem Steel Plant in Tamil Nadu;

(b) if so, the details of such companies;

(c) whether any conditionalities have been laid down for private sector steel companies to have joint venture with SAIL;

(d) if so, the details thereof;

(e) the details of consultants appointed for joint venture; and

(f) to what extent the production of steel in the said plant will increase?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY) : (a) and (b) Yes, Sir. The following private companies have expressed their interest for participation in the proposed joint venture for Salem Steel Plant (SSP) of Steel Authority of India Limited (SAIL) :—

— TISCO, Jamshedpur

— Jindal Strips, Delhi